

TESTIMONY OF ANDREW CURRAN

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In the United States Federal District Court for the District of Idaho

Saint Alphonsus Medical Center-Nampa, Inc., et. al. v. St. Luke's Health System Ltd., et. al.

Case No. 1:12-cv-00560-BLW

Page Range: 7:03-7:03

03 Q. Good morning, Dr. Curran.

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20 Q. And you mentioned that they said, you
21 know, that the affiliation might help in
22 recruiting. Did they explain how that would be?
23 A. They could basically give more money to
24 these docs coming in to attract them, had deeper
25 pockets than we did.
44:01 Q. And was that something that, you know,
2 you -- in your involvement in Saltzer recruiting,
3 was that an issue with bringing physicians into
4 Saltzer? Did you believe that Saltzer didn't have
5 deep enough pockets to attract the talent that it
6 wanted?
7 A. Maybe when it came to certain
8 specialties. I think it was, you know, you had to
9 come up with a lot of money for some of these
10 specialties for guarantees, so that could
11 sometimes pose a challenge once in a while.
12 Q. What about primary care doctors?
13 A. You know, I think if we had -- I think
14 the primary care -- I don't know. I think we did
15 okay, but it was -- you know, we had to -- we did
16 okay with the primary care, I think. It was not a
17 problem coming into Saltzer.

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5 Q. So, yeah, on that point, so in roughly
6 the 2010 time frame, can you describe a little bit
7 about how -- how your practice worked and sort of
8 what percentage of surgeries you did at each of
9 the respective facilities?
10 A. I split my inpatient volume between
11 Saint Alphonsus Nampa and St. Luke's Meridian, so
12 mostly total joints. And then the bulk of my
13 outpatient surgeries went to Treasure Valley
14 Hospital.
15 Q. When you say "the bulk," what -- do you
16 have an approximate percentage of what "bulk"
17 means there?
18 A. I would say that 90 percent of my
19 outpatient surgeries went to Treasure Valley
20 Hospital.

Page Range: 49:05-49:15

5 What were the considerations at that
6 time, 2010 time frame, that went into whether to
7 take an outpatient surgery to Treasure Valley or
8 St. Luke's or Saint Al's?
9 A. I liked going to Treasure Valley with
10 my outpatient surgeries because it was more
11 efficient over there. I could do a greater volume

12 there. And it was very well liked by the
13 patients. I enjoyed working there. I still do.
14 And it was significantly less expensive for the
15 patient.

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Page Range: 84:02-84:10

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11 Q. As far as what the minimum guarantee
12 would be?
13 A. Um-hum.

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17 Q. Was -- were referrals generally
18 discussed at St. Luke's -- well, we'll get into
19 this a little bit later, but did St. Luke's ever
20 tell you in connection with this deal you would be
21 limited in where you could refer patients?
22 A. Where I could refer patients for -- I
23 don't recall specifically. They didn't say that
24 we had to pull out of Saint Alphonsus Nampa. They
25 seemed to be more interested in Treasure Valley
107:01 volume.
2 Q. And -- but with respect to even more
3 generally, did they ever tell you you won't be
4 able to make referrals to this place or that
5 place?
6 A. No, I don't recall that.

Page Range: 113:23-114:25

23 Q. BY MR. SCHAFER: All right, Dr. Curran.
24 We talked earlier about where you take your
25 patients for various inpatient and outpatient

114:01 surgeries, what percentage of patients you take to
2 each location. I think when I asked you that
3 question before, it was in connection with the mix
4 while you were at Saltzer.
5 A. Yes.
6 Q. Has that mix changed at all since
7 you've affiliated with Saint Al's?
8 A. The only difference is I do some
9 outpatient surgery at the new surgery center that
10 opened up in Nampa as well now.
11 Q. Okay. And what -- what surgery center
12 is that?
13 A. It's called the "Treasure Valley
14 Surgery Center."
15 Q. Oh, that's the Treasure Valley Surgery
16 Center.
17 A. Um-hum.
18 Q. What percentage of your outpatient
19 surgeries do you think you do there today?
20 A. I probably do 45 percent of my
21 outpatient surgery there.
22 Q. Okay. And then what percent at
23 Treasure Valley Hospital?
24 A. Maybe 45 percent, and then the other 10
25 percent mixed between the other two facilities.

Page Range: 115:01-115:04

115:01 Q. All right. Has the -- has the mix of
2 surgeries that you've done as between St. Luke's
3 and Saint Al's, has that stayed consistent?
4 A. Yes.

Page Range: 123:01-123:18

123:01 Q. Okay. If you go to paragraph 5 of your
2 declaration, you say, "Since I left Saltzer in the
3 beginning of November, I have seen a drastic
4 reduction in referrals from Saltzer."
5 Was that an accurate statement?
6 A. Yeah.
7 Q. Do you have a sense or a definition of
8 what "drastic" means in this context? I mean,
9 what did you mean by "drastic" in this statement?
10 A. Other than one physician at Saltzer who
11 still sends me referrals consistently, I could
12 count on one hand the number of referrals I've
13 actually received from doctors at Saltzer since I
14 left. As opposed to when I was with Saltzer, you
15 know, I would see two or three or four a day when
16 I was in clinic, my clinic days. So I would say
17 that it reduced by 80 to 90 percent probably. It
18 was a lot.

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19 Q. And who's -- who's the doctor that
20 continues to refer patients to you?
21 A. Dr. Shoemaker.

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8 A. He told me, "Until they tell me I have
9 to stop sending them, I'm going to still support
10 you and send them to you."
11 Q. Okay. And has he ever told you that
12 they've told him to stop sending them?
13 A. Not yet.

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14 Q. When you were at Saltzer, you know, you
15 mentioned that you would get two, three, four
16 Saltzer referrals a day, I think you said,
17 something -- something in that --
18 A. In a clinic day, I might get, yeah, two
19 or three or four, somewhere in that range. I
20 would have to go back and look, but I don't
21 remember keeping a specific eye on the exact
22 numbers.
23 Q. Do you have a general sense
24 percentage-wise of your, you know, your cases in a
25 given Saltzer year, what percentage of your
125:01 referrals came from Saltzer physicians?
2 A. The -- my referrals mostly came from
3 word of mouth or Saltzer physicians and very
4 occasionally outside physicians. And maybe it
5 was -- I would be guessing, 60 to 70 percent or
6 more was probably within the Saltzer network.

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15 Q. Did your referrals from Saltzer
16 physicians -- you know, I think we looked at your
17 declaration and said that since you left Saltzer
18 they've drastically been reduced, something to
19 that effect.
20 A. Um-hum.
21 Q. Did they -- did your referrals from
22 Saltzer physicians start declining before you left
23 the practice?
24 A. No.
25 Q. It was only after you left?
139:01 A. Yes.

Page Range: 196:07-196:20

7 Q. And how has your productivity, how is
8 it today compared to a year ago today?
9 A. So, I think my volume has held up
10 okay. I have definitely seen a change in payer
11 mix. You know, we probably see a lot more
12 Medicare, Medicaid, TRICARE, more -- less of the
13 private pays than we used to, so.
14 Q. But as far as volume productivity, you
15 think that's generally where it was when you were
16 at Saltzer?
17 A. I would say that the number of cases
18 I'm doing is pretty similar. It could have
19 dropped off a little bit. But like I said, the
20 payer mix has changed.

Page Range: 223:06-223:09

6 Q. Are you aware that in connection with
7 your TVH ownership you're restricted from owning
8 interest in a competing facility to TVH?
9 A. Yes.

Page Range: 223:19-224:01

19 Q. BY MR. SCHAFER: And I'm not asking for
20 a legal opinion. I'm just asking in your view is
21 there, you know, if you -- if you sign these
22 agreements, was there some -- something that you
23 think is materially different about this versus
24 what Luke's had wanted in its exclusive
25 arrangement?

224:01 A. Yes.

Page Range: 224:05-224:11

5 THE WITNESS: I think it's different in that
6 I was not purchasing a surgery center with Luke's
7 or a hospital investment. Putting money into some
8 entity and then putting money into another entity
9 is two different issues, rather than joining in an
10 affiliation and having an investment. They are
11 two different, separate issues.

Page Range: 225:02-225:04

2 Q. BY MR. SCHAFER: Does it seem a
3 reasonable restriction to include in that
4 contract?

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9 THE WITNESS: It is reasonable. Although, I
10 don't like noncompetes, period.
11 Q. BY MR. SCHAFER: And why -- why do you
12 think it is reasonable?

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15 THE WITNESS: Because I think what this
16 prevents is doctors coming in, purchasing stock in
17 a facility and then turning around and maybe
18 purchasing stock in a competing facility. And
19 then taking maybe cases there and not supporting
20 the one that they own stock in there.

Page Range: 234:01-235:10

234:01 Can you explain and elaborate for us
2 on what kind of challenges you guys found in
3 recruiting physicians?
4 A. Yeah. It was basically Nampa. In
5 general, if people were going to come to Idaho
6 into the Treasure Valley area, they would likely
7 look at Boise and maybe prefer to live over there
8 and work there, rather than Nampa itself. Just,
9 you know, comparing, like, a more suburb, rural-
10 type setting versus a -- living in the city.
11 Q. Was there anything else about the Nampa
12 market that provided a challenge in terms of
13 recruiting?
14 A. Oh, I think it was -- if you were
15 going to recruit like, say, primary care, internal
16 medicine, that sort of thing, there was just
17 fewer and fewer of them coming out to these
18 areas.
19 And I think one of the big things, like
20 with internal medicine we found was a lot of them
21 are opting to -- if they -- there's fewer of them
22 out there, basically, coming out of the medical
23 schools and residencies, and then a lot of them
24 are opting to become hospitalists, which are
25 basically hospital-based physicians, rather than
235:01 out in the office setting. I think that's been a
2 change in -- in medicine.
3 Q. Do you see any difference in the payer
4 mix between the Nampa market and the Boise market?
5 A. Yes. Obviously, that is another factor
6 is that, you know, Ada County has a much, much
7 better payer mix than Canyon County, so that is
8 always a factor as well.

9 Q. Does payer mix affect recruiting?

10 A. Absolutely.